INFORMATION HEARING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Application for	)	
Certification of the	)	Docket No. 01-EP-7
Hanford Energy Park	)	
Peaker GWF Power Systems	)	
Company, Inc.	)	
_____	)	

COMFORT INN

10 NORTH IRWIN

CONFERENCE ROOM

HANFORD, CALIFORNIA

FRIDAY, APRIL 20, 2001

6:00 P. M.

Reported by:
James Ramos
Contract No. 170-99-001

COMMITTEE MEMBER PRESENT

Arthur Rosenfeld, Presiding Member

STAFF PRESENT

Amanda Behe, Hearing Officer

Bob Eller, Project Manager

PUBLIC ADVISER

Kim Garrett

REPRESENTING THE APPLICANT

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P R O C E E D I N G S

HEARING OFFICER BEHE: Good evening ladies and gentleman. Thank you for coming today. This is an Informational Hearing being conducted by the California Energy Commission on the proposed GWF Peaker Power Plant.

Before we begin the formal aspect of the hearing I'd like to introduce Commissioner Arthur Rosenfeld, who forms the Committee for this proceeding.

PRESIDING MEMBER ROSENFELD: Good evening. I mainly want to thank GWF for a nice supper and I'm not going to have much to say, I'm supposed to listen. In fact, pretty soon I'm going to go sit where I can see the screen, so back to you, Amanda.

HEARING OFFICER BEHE: Thank you. My name is Amanda Behe. I'm an Administrative Law Judge sitting for the Energy Commission tonight. At this time I'd like the parties to introduce their representatives.

Mr. Wheeler, would you introduce yourself and your team and for the court reporter, could we have the names of the individuals spelled?

MR. WHEELER: My name is Doug Wheeler. Last name is spelled W-h-e-e-l-e-r. I'm with GWF Power Systems and will be the Project Manager for this case.

To my left John Grattan, counsel. To my right and behind, Hal Moore is Engineering Maintenance Manager for GWF. Seated next to Hal is Riley Jones, Business Manager for the Hanford Facility. And sitting behind Riley is Mark Kehoe, Manager of Environmental Affairs for GWF.

HEARING OFFICER BEHE: Thank you, Mr Wheeler. And Mr. Eller, would you introduce yourself?

PROJECT MANAGER ELLER: I'm Bob Eller, Project Manager for Commission staff.

HEARING OFFICER BEHE: And I'd like to introduce Kim Garrett, who is the Public Adviser for this proceeding. Kim, could you give the audience and participants a brief overview of your role?

PUBLIC ADVISER GARRETT: Good evening. My name is Kim Garrett. I'm here this evening representing Roberta Mendonca, the Public Adviser for the California Energy Commission. I am part of a special team assembled to assist in the

siting of emergency power plants required to address California's energy crisis.

The role of the Adviser is to help the public in understanding the Energy Commission's siting process and to assist members of the public who want to participate in that process. Our office is in Sacramento and you may contact us by telephone toll free at 877-602-4747 or by E-Mail at pao@energy.state.ca.us.

You, as members of the public, have an absolute right to participate and comment on this proposed power project. The Energy Commission encourages public participation and welcomes all types of community input. These opinions and comments will form an important source of information as the Energy Commission staff performs their independent analysis of this proposal.

Because the Hanford Energy Peaker Project case is expedited, the second public meeting termed the adoption hearing, will be held in Sacramento on Wednesday, May 2nd, 2001.

To make sure that your public comments are considered you will need to respond to what you hear and learn today very quickly. In other

words, your comments today are very important.

Where do you get information regarding this project? If you want information on how to participate in this siting case or if you have questions about the siting case process, please give our office a call. There are business cards located on the table near the sign-in sheet.

Also, the City of Hanford City Branch Library, local branch library, also has a copy of the Application for Certification.

You may also access project information at the Energy Commission's website. That address, www.energy.ca.gov/sitingcases/peakers/hanford.

The fastest way to get any future public mailings about this project is to enter an E-Mail address on the Energy Commission's list server located at their website.

Now to the role of the blue cards. The Public Adviser helps members of the public who want to make comments during the siting case proceedings. The Public Adviser also helps the Commissioners and the Hearing Officer with the details of running a good meeting by circulating blue cards.

Members of the public who want to make

comments during the meeting need to fill out one of the blue cards. The blue cards are used to determine the amount of public comment and the time needed to accommodate the comment and thereby facilitate the public discussion.

Today in an effort to make sure that questions are addressed you are encouraged to use the back of the blue card for any comments or questions you may have.

In conclusion, the Public Adviser looks forward to working with you on the Hanford Energy Park Peaker Project. Please call us if you have any questions regarding procedure or need any information.

HEARING OFFICER BEHE: Thank you, Ms. Garrett.

We are convened tonight because GWF Power Systems Company, Inc. has filed an application with the Energy Commission for a license to build and operate a 95-megawatt simple cycle natural gas fired peaker energy facility here in Hanford.

The application has been filed under an emergency siting process implemented by the Energy Commission to help meet peak electricity needs.

Therefore this process requires the Energy Commission to move very quickly in reviewing applications.

The purpose of this hearing is to give the public an opportunity to understand the proposal and to tell us your concerns about it. As Ms. Garrett indicated, the Energy Commission will rule on this matter on May 2nd at its hearing in Sacramento. The decision will be based on what is heard today and on the comments received from the public within the next couple of days. The comments should be received before close of business next Monday, April 23rd from agencies and other interested participants.

Despite this very abbreviated process the Energy Commission still has a mandate to protect public health and safety and the environment. If the Energy Commission approves this proposal it will mitigate the most serious and avoidable adverse impacts. For that reason the Commission wants to hear from the public about your concerns and suggestions.

As Kim indicated, there is an E-Mail address and an 800 number to facilitate comments.

We're going to start this evening with a

presentation by the Applicant about the proposed project, then the Energy Commission staff will present their initial review of the project. Staff of the Energy Commission are going to be performing what is called a fatal flaw analysis to determine if there are any reasons why, even in this emergency process, this plant should not be permitted under the process.

Mr. Wheeler.

MR. WHEELER: Thank you very much. Again, my name is Doug Wheeler. As the Hearing Officer has indicated, GWF is responding to the state's energy requirements for this summer and those provisions are covered under the Governor's Executive Order 26.

You've all been out and looked at the site where the peaker is being proposed. This is a peaker site location map. The City of Hanford is up here. This is the existing GWF plant site here. This is Idaho Avenue here, 11th Avenue here and 10th Avenue here.

As I said, this is the existing GWF plant site. The peaker will be located on a five-acre parcel that is located in this corner.

This is a facility layout and I know

there is a lot of detail on it, probably a lot more than is appropriate. This is the existing GWF plant site.

This facility is the recently approved Hanford Energy Park. The peakers that we're talking about this evening are located here. There are two combustion gas turbine generator sets. These skids are approximately 12-feet wide by approximately 60-feet long. And again, a peaker is a combustion -- for this project, a combustion gas turbine that directly drives an electrical generator.

The natural gas for the peaker facility will come out of the line adjacent to Idaho Avenue located here and it will run back into the gas separation facilities here.

The electrical generation from the facility will go out through a switchyard that's located in this area. The transmission interconnect out of the switchyard will come out on Idaho Avenue on the north side of Idaho Avenue and run west to 11th Street and then turn and be over here south on 11th to Jackson Avenue.

It will interconnect to PG&E's 115 lines at Jackson and 11th. Again, the transmission

interconnect and the gas supply that will be utilized for this project were subject to the review and approval of the Hanford Energy Park.

This is a simplified process flow diagram. This is the gas turbine generator here. Again it will generate approximately 95 megawatts. This is the air intake. The project will use some water, approximately 75-acre feet per year. That water is used to cool the air during operations during the summer months, using an evaporative method very similar to swamp coolers that you're all familiar with.

Water is also used to inject into the turbine for NOx control and power augmentation.

This is a view of the site, Idaho Avenue, located here. This is the five-acre parcel that I was referring to, the existing GWF plant site. You can see verticals operations in the background. The railroad tracks are over here and the peaker will be located in this area.

This is a rendering of Hanford, from approximately the same view corridor, looking at the existing Hanford facility, the recently approved Hanford Energy Park. This is the Hanford Energy Park here. The existing plant is located

back over here.

The Hanford Energy Park Peaker that we're talking about this evening is located right here. You can see this is the HEP facility, the cooling tower in the back. Again, the railroad tracks are here, Idaho is here.

This is a view of the facility looking from 10th Avenue in a westerly direction. These are the Calcott buildings here. You can see the GWF facility in the background, the Hanford Energy Park here and you can see one of the stacks on the Hanford Energy Park Peaker located right here.

This is a view looking from 11th Street in an easterly direction, the existing GWF plant site. This is the air intake structure for the Hanford Energy Park and the peaker is located back over here. This is the cooling tower for the existing plant.

This is a view of the transmission interconnect. Again, this was approved as part of the Hanford Energy Park. This is a view looking from Jackson Avenue here in a northwesterly direction along 11th Avenue. These are the existing transmission lines that run north and south on 11th.

The 115 line, as you're probably familiar, is on the south side of Jackson Avenue at this location. As it gets closer to 11th Avenue it crosses over and actually at the intersection, the 115 line is running on the north side of Jackson.

This is a post-construction view of the transmission interconnect lines and towers. This is Perelli down here. The proposed project site is over in this area.

There are three environmental issues that I'm going to focus on this evening. Clearly there are other issues that have been evaluated in the application. I'm going to focus on the three that we feel would be the most important to the community.

The first one is air quality. The next one is noise and the last one is water resources. And again the water requirements for the peaker are very small. These are the same issues that we focused on in the previous project. The order was reversed, water was more important we felt than noise.

On air quality, the mitigation measures that will be utilized with the project for NOx

control in the combustion turbine generator, again we'll be using water injection for NOx control.

HEARING OFFICER BEHE: Mr. Wheeler, would you explain the term NOx?

MR. WHEELER: Oh, excuse me. NOx refers to nitrous oxide. It's one of the criteria pollutants that was looked at. There are five criteria pollutants that the local air district is normally concerned with. NOx, nitrous oxide, carbon, CO or carbon monoxide, VOC is volatile organic carbon, sometimes referred to as hydrocarbons, and the other criteria pollutant is PM-10. PM-10 is particulate matter that is less than 10 microns in size.

As I stated, the control technology will utilize two control technologies, one water injection for control of NOx in the combustion turbine generator to 25 parts per million and then a selected catalytic reduction using ammonia to reduce the oxides of nitrogen and NOx from 25 down to three parts per million.

The CO and the VOC will be controlled using what's referred to as an oxidation catalyst. It will reduce the CO to six parts per million and the VOC to two parts per million.

I should point out that the CO and VOC are in line with the ARB and San Joaquin Valley Unified Air Pollution Control District's BACT requirements or Best Available Control Technology guidelines.

The back requirement for NOx is five ppm. The catalyst manufacturers have indicated that we can purchase a catalyst that will result in a NOx emission level of three ppm and that's what will be purchased for this facility.

PM-10, the back requirement is using natural gas and high efficiency air intake filters on the intake to the turbine.

While we can use control measures that conform with best available control technology there are still emissions that will be coming out of the facility. We will mitigate those emissions by using what are referred to as emission reduction credits. An emission reduction credit is reductions for those criteria pollutants that we just went through that have been created in the air district here in the valley by either process change or facility shutdown.

All of the ERCs for the proposed peaker project have been purchased and are currently held

by GWF. The ERCs will be provided at a ratio greater than one to one, and that's consistent with the air district rules and regulations.

As you're all probably aware there are some non-attainment pollutants in the valley, ozone being one of those. Ozone is formed in the atmosphere by the reaction of NOx and hydrocarbons.

There is an air quality benefit associated with this project because the ERCs that will be provided at a ratio greater than one to one and that ratio is 1.5 to one. In other words for every pound of controlled emissions from the facility we will be providing one and a half pounds to offset that one pound of emissions.

Forfeiture of ERCs for the peaker operations. During the operation for this summer, the catalyst cannot be -- will not be available until January of 2002. What the air district is doing at the end of the month, I believe it's on April 30th, is that correct, Mark?

MR. KEHOE: Thirtieth, yes.

MR. WHEELER: They are holding an abatement hearing and for the excess emissions and this would be the emissions that would be

controlled by the SCR and the oxidation catalyst, we have to provide emission reduction credits for those excess emissions.

Those emission reduction credits, at the end of the abatement period, will be forfeited by GWF to the air district. So those ERCs will be used for this summer. If it wasn't so important that this peaker be on by this summer, typically what would be done is the unit would go installed in January and it would be installed with the control technology. But because of the energy emergency for this summer, ARB, along with the local air districts have developed this abatement scheme.

The next issue I'd like to talk about is noise. We've conducted baseline noise level studies. And basically what that means is we went to the closets residential receptors around our site and measured the noise levels at those locations over a 24-hour period.

Now we looked not only at the closest residential receptors, but other potentially sensitive receptors in the area and I'll point those out on a map where those were located.

After we got the baseline studies

completed we looked at noise attenuation design features that would be included with the project when it's installed. Those design features were then modeled against the baseline and the cumulative noise level increase at the closest residential receptor and remember on the site visit that residential receptor is about 3500 feet from where the peaker will be located. That the modeled noise level increase at that residential site is less than two dba.

HEARING OFFICER BEHE: And the acronym dba?

MR. WHEELER: It's decibels on the A scale. There are two or three different noise scales and this is basically decibel measurements on what they refer to as the A scale.

HEARING OFFICER BEHE: Thank you.

MR. WHEELER: This is a map illustrating where the measurements were taken. These are measurements taken around the existing site, around the ten-acre parcel that GWF owns. The closest residential receptor is located here at Idaho and Tenth. We also looked at a residence on Tenth located here and two other receptors located in this location.

We also looked at a site here, which is the Davis residence and residences located here which is the Grant Clark residence and two locations here, one at the entrance to the Bill Clark residence and at the Bill Clark residence. We also looked at a measurement across the street from the Del Monte facility, another location at the corner of Jackson and 11th, another location here, here, and one adjacent to IRC.

Water resources is the other area that we looked and we'll discuss this evening. The proposed project will use about 75 acre feet per year and again that's for water injection for NOx control and evaporative cooling power augmentation on the combustion turbine.

The water supply that will support the peaker project will be from an existing groundwater supply well at the existing plant. The water pumped from that groundwater supply well, because the area is overdrafted from a groundwater pumping perspective, will be mitigated in the following fashion, and I'll just whip through this pretty quickly.

GWF has acquired state project water table A entitlements and that was secured from

Angiolia. They're a farming entity in Southern Kings County. We entered into a water exchange agreement with Boswell and also a groundwater banking agreement with the Kings County Water District.

And kind of in a nutshell the way this thing will work is the water GWF purchased will be delivered through the aqueduct through the Torrey Lake Water Storage District's turnout and the storage district will deliver that water to Boswell.

In exchange for that delivery to Boswell, Boswell, through the exchange agreement will deliver a similar volume of water to the Kings County Water District and that water will then be used by the Kings County Water District either to offset groundwater pumpage during the irrigation season or will go into one of their settling basins for groundwater recharge.

HEARING OFFICER BEHE: Mr. Wheeler, could you spell Angiolia for the court reporter?

MR. WHEELER: Yes, A-n-g-i-o-l-i-a.

The proposed project will discharge approximately 11 acre feet of processed water to the City of Hanford Municipal Waste Water

Treatment Plant and that will be discharged through an existing connection to the City.

That 11 acre feet is roughly seven gallons per minute and that is associated with -- the water that we use in the turbine we have to treat with a reverse osmosis setup and a demineralizer. The water that goes into the cooling for the intake is just water that's gone through the RO. What goes into the turbine will be polished with a demin unit. So the blowdown off of the RO is what will be discharged to the sewer.

This is just a map indicating how this works. This is the turnout for the storage district. This is the aqueduct here. Our water will be delivered to the storage district, they will deliver it to Boswell, Boswell will deliver their Kings River entitlement to the water district in a location somewhere in this area.

The environmental and economic benefits that the project brings to the community. First of all, it will help meet the critical energy shortage in California for this summer. It will use natural gas a fuel source and state of the art air pollution control systems to minimize air

emissions.

Emission offsets will be provided for NOx VOC and PM-10 consistent with the air district rules and regulations. Reduction in the potential for hazardous materials exposure by using aqueous ammonia. The ammonia is again required in the SCR catalyst for NOx control.

The aqueous, GWF has recently converted the ammonia system at the existing plant from anhydrous to aqueous. Aqueous is basically a water solution of ammonia. So, it poses a much lower public health risk.

Recharge of the local aquifer to mitigate groundwater use. We will use existing GWF personnel to operate and maintain the peaker project. That's the current operations maintenance complement that's at the existing plant.

It will add approximately $1 million a year in local property taxes, about $2 million during purchase of local business services, during the construction period, and approximately $30,000 a year in goods and services during the operating phase of the facility.

And that is the end. Are there any --

should I take questions now or --

HEARING OFFICER BEHE: We'll take questions after our break so that the members of the public have the opportunity to fill out the blue cards which Ms. Garrett has previously discussed, and then those questions will be directed to either your staff or most likely the Applicant.

MR. WHEELER: Thank you.

HEARING OFFICER BEHE: Now we'll take up a presentation by staff. Mr. Eller can describe the staff process and staff concerns regarding this particular project.

PROJECT MANAGER ELLER: Can we have a moment to change out the equipment here.

(Thereupon a recess was taken.)

HEARING OFFICER BEHE: Back on the record.

Mr. Eller.

PROJECT MANAGER ELLER: Good evening. I'd like to talk tonight about the emergency power plant permitting process and about the project that we are currently reviewing. Again, I'm Bob Eller, I'm the Project Manager for Commission staff.

First, let's talk about the emergency permit. Who qualifies for this? Well, anyone who has a peaker power plant that can be on line by September 30th, 2001 or they have had an ISO summer reliability contract of any size project. And projects 50 megawatts or larger would come through the Commission process. And we'll examine these projects to find out if there are any fatal environmental impacts involved in the project.

The emergency permit issued for projects that go through this process are for the length of the Commission's license, if they have a contract with the California Department of Water Resources or the California ISO, and I think this needs to be changed actually, I don't believe ISO is doing contracts any longer; and at the end of their contract life they meet the continuation criteria, which means that they have BACT, Best Available Control Technology for air quality and have permanent air emission offsets; that they're in compliance with all of their Commission conditions of the project; that they have site control and the project is a permanent facility. In other words, it's not something that was brought in on trucks or skid-mounted, it's a permanently-mounted

facility.

Projects that do not have a contract with the Department of Water Resources can obtain a three-year permit with an option to recertify.

HEARING OFFICER BEHE: Mr. Eller, could you describe for the public the ISO?

PROJECT MANAGER ELLER: The California ISO is the Independent System Operator. They are responsible for managing the electric grid in California.

HEARING OFFICER BEHE: Thank you.

PROJECT MANAGER ELLER: Let's talk a bit about the analysis the staff is doing. We are doing a fatal flaw analysis to examine for public health and safety concerns to look at environmental impacts and make sure they're mitigated, to assure that there are no significant adverse energy system impacts, to make sure the project complies will all legal requirements and has a contract for delivery of the power and skilled labor to build the facility; that we address any disproportionate impacts in the community, that the project has site control and that there are no, or minimal linear facilities, because linear facilities tend to have greater

environmental impacts because they cover more territory.

HEARING OFFICER BEHE: Could you define a linear facility?

PROJECT MANAGER ELLER: Linear facilities are those facilities such as gas lines and transmission lines that run from a facility to another point and they connect to the grid.

And the project for the permitting is exempt from CEQA requirements, and I'd like to touch that one just a bit.

There's been a bit of a comment about the exemption from CEQA, and the analysis we're performing is very similar to the negative declaration and initial study process that's used throughout California by many localities. We buy a lot of time and shorten the period for review by shortening the notice procedures for public notices and for review of decisions.

HEARING OFFICER BEHE: And the acronym CEQA is?

PROJECT MANAGER ELLER: California Environmental Quality Act. I thought I was going to get through this without doing that. Sorry, force of habit.

(Laughter.)

PROJECT MANAGER ELLER: I believe there's a blue sheet on the table as you came in and I'll touch this one very quickly. It's generally a permit schedule that's for the projects.

The Applicant is required to file an emergency application with 50 copies to the Commission. We have a set of criteria that they are to meet in order to determine the data adequacy. When we determine that they have completed the application, it's determined completed and that starts the 21-day clock.

We then release a public notice for this hearing. We have the public hearing and site visit between days five and ten of the process. We ask for comments and recommendations on the project within days ten and fourteen.

Staff assessment is completed between days 12 and 16. Commissioner's decision is put forth on days 14 and 18 and the hearing decision occurs between days 17 and 21.

For this project that pencils out to a schedule that looks something like this. The application was complete on April the 12th,

comments are due from public and interested agencies, this application was distributed to interested state agencies. Those comments are due on April the 23rd.

Staff will publish an assessment on the Internet on April the 25th. Commissioner's decision is expected around April the 27th and it will come before the Commission for decision on May the 2nd.

At this time I'd like to add that staff has reviewed the project and I am not aware of any issues that would preclude its approval at this time. If the Commission decides to approve the project the decision will contain a number of permit conditions that specify measures for construction, measures for operation and assures compliance with all laws, ordinances, regulations and standards and that's the LORS discussed here on the slide.

Following the decision, the Commission will assign a compliance monitor and that's called the Compliance Project Manager -- and most of the documents you'll see from this project -- who works to assure the project compliance and monitors the construction operations and assures

that all LORS, their laws and standards are met.

Our air quality work on this project is done by the local air quality district, and that, in this case, is the San Joaquin Valley Unified Air Quality District. If you have questions or would like to participate in the process that's being undergone by the District you may contact Dave Warner. He's at Area Code 559-230-5900.

If you'd like more information on this project and the Commission's involvement, that's my local phone number, Area Code 916-651-8835. I'd be happy to talk with you about the project. You can also reach toll free in California at 888-871-9673. And finally there is that long address for the web that we mentioned earlier. You can drop the index off of it or actually you can just go to www.energy.ca.gov and find your way from there.

That's all I have.

HEARING OFFICER BEHE: Thank you, Mr. Eller. Before we break we will ask if there are any agency representatives who might wish to come forward and describe their requirements and any concerns they might have. Are there any representatives of the local air district or water

district?

And there are none.

Are there any representatives of the City or County who wish to state a concern or their appearance?

There are none.

As Kim indicated earlier, she will distribute the famous blue cards and we will take a ten-minute recess. During the ten-minute recess you can complete the cards with any questions that you might like to pose to staff or the Applicant. You may also informally speak with staff or the Applicant regarding this project. And when we return we will take up those questions.

You may also make a written statement on the blue card or if you wish to speak when we return from the break, simply indicate your name and that you wish to speak and we'll take that up.

We will now be in recess.

(Thereupon a recess was taken.)

HEARING OFFICER BEHE: Back on the record. And we have questions by Elizabeth Clark who resides on Tenth Avenue, and I'll direct these questions to the Applicant. Mr. Wheeler, if you choose to answer them yourself or you can

designate a member of your team.

The first is pertaining to the topic of noise, the duration of the peak time and who determines that. I gather that's two questions, what is the duration of the peak time and who determines that?

MR. WHEELER: Yeah, the peak period, the acronym Peaker, typically the peaker is going to operate during the peak hours of the day and during the summer period, which would start at approximately six a.m. and run through ten p.m. at night. And that would be primarily during the summer period which would start May and end in October.

Now during the next couple of years those peak periods may vary significantly. The way the agreement will work, and DWR will be purchasing this generation, we have executed an MOU with DWR, but that plant will be dispatched by DWR through the California ISO.

And remember that these peaker projects are being fast tracked to address a problem that's going to be particularly acute this summer and next summer. As more efficient plants are constructed in California and are brought on line

in the 2003-2004 timeframe, the need for those peakers will drop.

Does that answer the question as far as the time of the day and I assume it's the period of the year?

MS. CLARK: No, I was questioning, there is such a great shortage, why won't these peakers run all of the time, I mean night and day?

MR. WHEELER: Well, during this summer and possibly next summer, the dispatch schedule more than likely, in all probability, will go outside that 16-hour per day criteria that I gave you. And you're quite right, this summer they could be running 24 hours a day, seven days a week.

But, again, that determination will be made by the California Independent System Operator and Department of Water Resources. They will run when they're needed.

MS. CLARK: Won't the noise be accumulative from the peaker, from the present GWF plant and from the new plant that they hope, so that the noise instead of being X decibels now will be three times that?

MR. WHEELER: It will be additive, and

that's why it's important and when we design the noise mitigation or attenuation that's going on the peaker project, that it's looking at the existing plant that there's now, in addition to the Hanford Energy Park that has been approved, but not yet built. And we're using modeling approaches to understand what the impacts will be at the residential receptors and at your residence.

Once the plant is in operation we will have to redo that noise survey and confirm the modeling results. And if it doesn't conform with the predicted results then GWF will be responsible for additional noise attenuation mitigation for the facility, whether it's the peaker or whether it's the Hanford Energy Park.

MS. CLARK: That's interesting, I did not see that in this catalogue.

HEARING OFFICER BEHE: By the catalogue, ma'am, are you referring to the application?

Thank you. The record will reflect that she's holding up the application for this project.

MR. WHEELER: And I think just one other comment on noise. We certainly understand and realize the importance of noise issues in this

community and that's why we've elevated it right behind air quality issues.

And, you know, all I can say is, you know, you have our assurance that we are looking at these things as incremental pieces and at the end of the day it's going to be the existing plant, the Hanford Energy Park and this peaker that are going to be stacked on top of one another and what we'll be looking at will be the cumulative impact of all three of those facilities. And it has to conform with the results that we have modeled at your residence and the closer residential receptors.

MS. CLARK: And how far south of the plant do you have these receptors?

MR. WHEELER: When I refer to a receptor basically when I showed the map where we made these 24-hour measurements, that's the receptor. We will go back to those same locations and we'll set these instruments up and we'll measure the noise level for 24 hours. And those measurements then will be compared to the predicted result from the model output.

HEARING OFFICER BEHE: Excuse me, perhaps, Mr. Wheeler, you'll define receptor?

You're not referring to an instrument that is in place, are you?

MR. WHEELER: No, it's not an instrument that is in place now or will be installed that will be running continuously.

HEARING OFFICER BEHE: So what is a receptor?

MR. WHEELER: A receptor is a location on the map. In the case of your residence, your residence is a receptor. We took measurements at your home and at your driveway entrance on Tenth Avenue.

MR. JONES: Doug, if I may. Riley Jones, GWF Power Systems. You'll recall when we called and asked for permission to go back in your orchard?

MS. CLARK: Yes.

MR. JONES: And set up the 24-hour monitoring station, that's what Mr. Wheeler is referring to.

HEARING OFFICER BEHE: Thank you.

And the final question from Mrs. Clark, which I'll direct to Mr. Wheeler and then Mr. Eller may also have a comment on it, is "Why doesn't CEQA, the California Environmental Act,

apply?"

Perhaps Mr. Eller could start and if you have any additional comments you could add those.

MR. WHEELER: Yeah, I think I would prefer to defer to Mr. Eller and then Mr. Grattan.

HEARING OFFICER BEHE: Thank you. Mr Eller.

PROJECT MANAGER ELLER: In February and March the Governor issued Executive Orders that basically set forth the program for emergency permitting and in those orders he exempted the projects from CEQA, so it was a Governor's Order.

MR. GRATTAN: That's correct. The only thing I have to add to that is that he was authorized to do that under a couple of statutes. One which gives him emergency authority and the other is right in the California Environmental Quality Act, Section 21080 point something.

(Laughter.)

PROJECT MANAGER ELLER: It was the appropriate section I do recall.

HEARING OFFICER BEHE: Thank you for the citation, counsel.

Are there any other questions or comments from the public?

For the record, I have presented in writing some questions to the Applicant which the Applicant has been directed to reply to the Docket by close of business on Monday. I'll briefly identify the questions.

The first asks Applicant to identify their current contractual status with California Department of Water Resources.

The second pertains to the possible conflict in the application between a statement that the plant will be retrofitted by 2002 versus retrofitting in February of 2002. I think there may be a partial answer in Mr. Wheeler's description tonight about the availability of the catalyst?

MR. WHEELER: That's correct, yes.

HEARING OFFICER BEHE: Thank you, but we'll still ask for that information in writing.

And the third general topic area is sources of water, the well source and the city water source and for what purposes water from those two sources will be used.

Is there anything further from the Applicant?

MR. GRATTAN: Yes, with the Hearing

Officer's permission and understanding that you still want a response in writing, as long as we're here in Hanford I think we can probably answer those questions before the public and, in fact, would like to.

HEARING OFFICER BEHE: Thank you, I think the public would appreciate hearing those responses, counsel.

MR. GRATTAN: First, Doug, could you perhaps explain the status of our negotiation and/or agreement with the Department of Water Resources and perhaps a schedule?

MR. WHEELER: Yes, GWF has signed an MOU with the Department of Water Resources and we are currently negotiating the contract and we expect the contract to be complete within approximately two weeks. And that MOU has both been executed by GWF and DWR.

MR. GRATTAN: And next is the exact schedule I guess for retrofitting the plant.

MR. WHEELER: Our intention is to take the plant out of service in January of 2002 and install both the SCR, the Selective Catalytic Reduction for NOx control, oxides of nitrogen and the oxidation catalyst for CO, carbon oxide and

the VOC, the hydrocarbons.

That installation will be complete by the end of January and the peaker then will be capable of operating with the control technologies meeting BACT by the first of February, 2002.

HEARING OFFICER BEHE: And the acronym BACT?

MR. WHEELER: BACT means Best Available Control Technology.

MR. GRATTAN: And the last question relates to water and rather than go through the questions that the Hearing Officer posed to us, perhaps you could just tell us what we're using city water for and what we're using the well water for?

MR. WHEELER: City water would only be used as a backup supply should the groundwater supply well be down for maintenance.

MR. GRATTAN: Are you using city water for domestic uses?

MR. WHEELER: The city water will be used for domestic uses at the existing facility. There are no control rooms, lavatories that will be located at the peaker location.

MR. GRATTAN: One more and this is for

Mr. Eller. Could you explain for those of us assembled here the difference between the kind of permit that this peaker plant would receive and the kind of permit that the Hanford Energy Project, which was just approved would receive, specifically with regard to the need to get local approvals, specific local approvals?

PROJECT MANAGER ELLER: Well, the Hanford Energy Park was approved under what we call the Small Power Plant Exemption Process or SPPE, which is a negative declaration, initial study type process that looks at the environmental impacts, but does not look at the engineering impacts of the project.

Once you are exempted from the process through the SPPE decision by the Commission, the project must then go forward and get local permits from the appropriate agencies.

In this process we are granting an AFC level, Application for Certification level license, which is in lieu of any permits required by local jurisdictions.

MR. GRATTAN: But there still is a requirement that we comply substantively with all the relevant state, regional and local laws?

PROJECT MANAGER ELLER: Yes, in touching upon the Governor's Order again, although he did exempt it from CEQA, he did say in that Order that they should have no public health impacts, no safety impacts, etcetera, so we're examining those for those impacts.

MR. GRATTAN: So any recommendations the City of Hanford would have with respect to the need to comply with their ordinances, they would be incorporated into this permit?

PROJECT MANAGER ELLER: If they were made available to us. So far I haven't seen anything. And we're going to be filing our document on Wednesday.

HEARING OFFICER BEHE: So we may indicate to the representatives of the public agencies present, as well as members of the public, that you must file your comments or concerns to the Docket at the E-Mail addresses provided by Mr. Eller, and, Kim, by the close of business on Monday so that they can be incorporated in the staff analysis. I know that seems an inordinately quick process. It is a piece of an inordinately quick process.

PROJECT MANAGER ELLER: I will be happy

to docket any material supplied to me in E-Mail. My address is beller, b-e-l-l-e-r @energy.state.ca.us, and I'd be happy to give my card to anybody with that address.

HEARING OFFICER BEHE: Yes, for everyone who does not speed write, we'll get business cards.

(Laughter.)

HEARING OFFICER BEHE: Anything further from the Applicant?

MR. WHEELER: I don't believe so, no.

HEARING OFFICER BEHE: Thank you.

Anything further from staff?

PROJECT MANAGER ELLER: Nothing.

HEARING OFFICER BEHE: Thank you.

Anything further from the public?

Thank you very much for your courteous attention and we are off the record.

(Thereupon the California Energy Commission Public Meeting was concluded at 7:25 p.m.)

CERTIFICATE OF REPORTER

I, JAMES RAMOS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Information Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said Hearing, nor in any way interested in the outcome of said Hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of April, 2001.

JAMES RAMOS